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MEETING NOTICE

Cable TV Advisory Board

4 pm, Thursday, June 28, 2007

Mayor's Conference Room, 2nd Floor
County-City Building • 555 S. 10th Street

AGENDA

1. Call to Order
2. Introduction of board members and guests
3. Old Business
 - a. Time Warner Performance Review
-Study on Cable Competition
4. New Business
 - a.
5. Discuss any other technical or customer service issue.
6. Public Comments
7. Reports by
 - a. Time Warner Cable
 - b. City

Adjournment

BOARD MEMBERS:

If you cannot attend this meeting

Please RSVP to Jonathan Rehm, Chairman

jvr7275@hotmail.com

474-2300 (wk) or 429-0447 (ho)

Schedule of Regular Meeting Dates:

July 26, Jan. 25, 2007 (annual meeting)

Cable Advisory Board Minutes

Special Meeting May 24, 2007

Board Members:

Present: Jon Rehm, Stuart Long, Jim Johnson, Donna Behlen, Herb Friedman, Jerrod Jaeger, Laurie Lee, Herb Schimek, Scott Young, Art Zygielbaum

Absent: Mary Herres (excused)

City Staff: Diane Gonzolas, Steve Huggenberger

Others present: Hilary Kindschuh (LJS), Chriss Knight (KLKN), Jason Valentine (KOLN/KGIN)

Chair Jon Rehm called the meeting to order at 4:05 p.m. The Chair announced that a copy of the Nebraska Open Meetings Law was posted at the front of the room.

Board members introduced themselves.

Approval of Minutes: Minutes from the special meeting of May 17, 2007 were read. Schimek moved approval, Behlen seconded, motion passed 10-0.

Time Warner Cable Performance Evaluation (Continued Discussion)

RESOLUTION ON FOSTERING COMPETITION

Long moved, Johnson seconded, that we add a new article 8: "To foster competition, The CAB recommends that the city energetically and creatively explore ways of bringing another cable television provider to Lincoln."

Lee said that we have not discussed or researched the issue of competition and she thinks it would be irresponsible to include this in our report. She said that less than 1% of cities nationwide have cable overbuild, and that the reason is economic. There are all kinds of barriers to competition. Overbuilding involves a huge capital investment. The biggest cable overbuilder, RCN, went into bankruptcy. There are also cities where providers have overbuilt but only in certain parts of the city. Sometimes municipalities do the overbuilding, but Lee felt that we would not want to tell the City to go into the cable TV business. She thinks the marketplace will make this work out anyway; there are companies such as Verizon, VPN, and others which are making the industry more competitive. She is opposed to Long's amendment to the report, however she thinks that the Cable Board may wish to look at the issue separately at future meetings.

Long said that Lee has a lot of good points; however he still thinks that we should recommend that the City check into it; if the Council then wants to bounce the recommendation back to the CAB and have us look into the issue then that's OK.

Friedman said that we haven't really been asked to look into competition for this particular report.

Zygielbaum noted that no one seems to be "breaking down the door" to come into the Lincoln market. He would like the CAB to look separately at the issue but not as a part of the current process. Zygielbaum asked Huggenberger if there are other groups that might be interested in looking into attracting other providers. Huggenberger suggested that maybe LPED or the Chamber of Commerce might be interested. Zygielbaum thinks we should take that issue on.

Lee said that she thinks citizens are often confused and think that the City has granted an exclusive contract to TWC, which is incorrect.

Young asked if the question of monopoly had come up during the last franchise renegotiation process. Friedman

said yes. Huggenberger said that there was some language put into the franchise agreement to make it as easy as possible for competing companies to enter the market.

Donna Behlen said that Omaha has two cable companies, but they don't really compete very much.

Friedman said that he doesn't want this report to become a "Christmas tree."

Motion failed 1-9, Long voting yes.

As a followup resolution, Zygielbaum moved, Lee seconded, that the Cable Advisory Board resolve to investigate the nature of cable TV competition. Zygielbaum said that while he doesn't think that Long's resolution was appropriate as a part of the current report, he does feel that the issue is important and should be part of our board's mission. Motion passed 10-0.

Modifications to existing wording

Jaeger moved, Johnson seconded, that we replace the sentences "The amount of compensation shall be 35% of the minimum charge for full digital cable service. Based on the \$68.70 monthly charge for such service, the compensation is \$24.05 per month, pro rated for partial months, if necessary." with "The amount of compensation shall be 35% of each and every digital cable subscriber's bill."

Friedman made a friendly amendment to change the wording of the substitute to "The amount of compensation shall be 35% of each digital television cable subscriber's bill, pro rated for partial months, if necessary."

Zygielbaum said that he has two cable boxes, asked himself if he was injured twice as much as someone with only one box, decided that he probably wasn't. Jaeger said that no matter what we do, we'll be unfair to someone. Zygielbaum said that we're "begging" here; TWC doesn't have to respond. Lee said that the amendment would lead to an accounting nightmare, and we're less likely to get results than if we asked for a fixed amount. She did say, however, that the \$68.70 appears to be an odd basis figure.

Motion passed 7-3, with Friedman, Lee, and Zygielbaum dissenting.

Jaeger moved, Johnson seconded, that we remove "if technically feasible" from the end of recommendation 6. Jaeger said that he thinks that phrase makes it look like we'd be less willing to give that up. Long said that it's clearly technically feasible to allow both the Passport and the Navigator; in fact TWC ran the system that way while they were bringing the Navigator online. He said that we wouldn't be working on this report if TWC hadn't made the mistake of introducing the Navigator in the first place.

Lee said that we don't know what kind of economic impact this will have; she doesn't think we've thought this through. Zygielbaum said that he's concerned about that too. He's certain that it would drive up costs, which would be passed on to customers.

Lee said that by law, the City Council and the Cable Board cannot prescribe programming for TWC; she thinks this could be prescriptive.

Motion to remove the phrase failed 3-7, with Jaeger, Johnson, and Long voting yes.

PUBLIC COMMENTS

Rehm asked if there was any public comment on the report before we consider whether to approve it. Diane Gonzolas, speaking as an individual, said that she feels that April 30 as the end date for the calculation in recommendation 5 was possibly a problem. Lee commented that she thinks it would be good to allow some flexibility in the date, in case the Navigator problems

continue. Friedman moved, Johnson seconded, that we add "or whatever date the City Council deems appropriate" to the end of the sentence with the April 30 date. Motion passed 10-0.

ADOPTION OF REPORT

Friedman moved, Behlen seconded, that we adopt the report as amended, and forward to the City Council. Friedman thinks we've spent a lot of time on this, it's time to put it to bed. Motion passed 10-0.

Rehm asked what the process would be for getting this to the Council. Huggenberger said that he'll confer with the Council and City staff, will possibly request an executive session with the Council. He recommended that Rehm draft a cover letter.

ADJOURNMENT

Lee moved to adjourn, Long seconded, motion passed 10-0. Meeting adjourned at 5:05 p.m.

Next meeting Thursday, June 28, 4:00-6:00 p.m., location to be announced.

Respectfully submitted,

Jim Johnson, Secretary